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## Deferred Revenues and Expenses

Odoo 19 Enterprise · Accounting

Deferred accounting spreads revenue or expenses across multiple periods when they have been received or paid in advance. This ensures correct period matching under accrual accounting.

### 1 What is deferred revenue

Deferred revenue (unearned revenue) occurs when you receive payment before delivering the goods or service. The full amount cannot be recognised as revenue immediately – it must be spread over the delivery period. Example: an annual software subscription paid upfront is recognised as one-twelfth of the fee per month.

### 2 Create a deferred revenue

Accounting > Accounting > Deferred Revenues **NEW**

Click New and fill in the details.

#### DEFERRED REVENUE FIELDS

<b>Deferred Revenue Name *</b>	Descriptive name – e.g. "Annual Support Contract – Client ABC".
<b>Original Value *</b>	Total amount received upfront.
<b>Acquisition Date *</b>	Date the payment was received.
<b>Number of Recognitions *</b>	How many periods to spread the revenue over.
<b>First Recognition Date *</b>	Date of the first revenue recognition entry.
<b>Revenue Account *</b>	P&L account to recognise revenue into each period.
<b>Deferred Revenue Account *</b>	Balance sheet liability account holding the unearned amount.

### 3 Compute and confirm

**COMPUTE REVENUE**

Click Compute Revenue to generate the recognition schedule. Review the Revenue Board at the bottom – it shows each recognition date, the amount to recognise, and the cumulative recognised amount. Click Confirm to activate the schedule.

## 4 Deferred revenue models

[Accounting](#) > [Configuration](#) > **Deferred Revenue Models**

Create models for common deferred revenue patterns e.g. "12-month subscription", "6-month maintenance". Selecting a model when creating a new deferred revenue pre-fills the recognition schedule, saving time.

## 5 What is a deferred expense

Deferred expenses (prepaid expenses) occur when you pay for something that will be consumed over future periods. Example: annual insurance premium paid in January must be spread over 12 months. The full amount is initially recorded as an asset, then expensed monthly.

## 6 Create a deferred expense

[Accounting](#) > [Accounting](#) > **Deferred Expenses** > **NEW**

Deferred expenses work identically to deferred revenues but in reverse. Fill in the expense name, original value, acquisition date, recognition periods, and accounting accounts (Deferred Expense Account on the balance sheet, Expense Account on the P&L). Compute and confirm to activate the schedule.